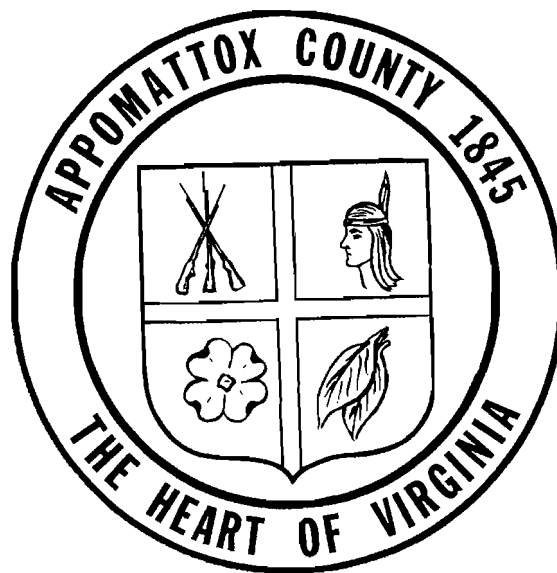


COUNTY OF APPOMATTOX, VIRGINIA



ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2008

COUNTY OF APPOMATTOX, VIRGINIA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2008

COUNTY OF APPOMATTOX, VIRGINIA

Board of Supervisors

Samuel E. Carter, Chairperson

Thomas H. Conrad
Shawn A. Armbrust

William H. Craft
Russell H. Moore

School Board

Bobby Waddell, Chairperson

Amy M. Martin
Todd D. Pickett

R.W. Mitchell
Clifford Rhodenizer

Board of Social Services

Martha Watkins, Chairperson

Nelson Mann

William H. Craft

Other Officials

Judge of the Circuit Court..... Richard S. Blanton
Clerk of the Circuit Court..... Barbara R. Williams
Judge of the General District Court Robert Woodson
Judge of the Juvenile and Domestic Relations Court Marvin Dunkam
Commonwealth's Attorney Darrel W. Puckett
Commissioner of the Revenue Monte W. Mays
Treasurer Janet M. Belter
Sheriff..... O. Wilson Staples
Superintendent of Schools..... Dr. Walter F. Krug
Director of Social Services..... Barry Elder
County Administrator..... Aileen T. Ferguson

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COUNTY OF APPOMATTOX, VIRGINIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditor's Report

To The Honorable Members of the Board of Supervisors
County of Appomattox
Appomattox, Virginia

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Appomattox, Virginia, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Appomattox, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Appomattox, Virginia, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2009, on our consideration of the County of Appomattox, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Management's Discussion and Analysis, budgetary comparison information, and the schedule of pension funding progress as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Appomattox, Virginia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and other statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County of Appomattox, Virginia. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and other statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Robinn. Fann, CoX Associates

Richmond, Virginia
January 9, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

**To the Honorable Members of the Board of Supervisors
To the Citizens of Appomattox County
County of Appomattox, Virginia**

As management of the County of Appomattox, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2008. Please read it in conjunction with the transmittal letter at the front of this report and with the County's basic financial statements, which follow this section.

Financial Highlights

Government-wide Financial Statements

- < The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$10,221,997 (net assets).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported expenditures and other financing uses in excess of revenues and other financing sources of \$1,033,752 (Exhibit 5) after making contributions totaling \$3,860,469 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$11,050,576, a decrease of \$1,033,752 in comparison with the prior year.
- < At the end of the current fiscal year, unreserved fund balance for the general fund was \$4,440,813, or 24% of total general fund expenditures and other uses.
- < The combined long-term obligations decreased by \$1,486,126 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Appomattox, Virginia itself (known as the primary government), but also a legally separate school district and industrial development authority for which the County of Appomattox, Virginia is financially accountable. Financial information for the component units are reported separately from the financial information presented for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Appomattox, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Overview of the Financial Statements (Continued)

Governmental funds - *Governmental funds* are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements a reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County has two major governmental funds – the General Fund and the County Capital Projects Fund.

Fiduciary funds - The County is the trustee, or fiduciary, for the County's agency funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Agency funds are County custodial funds used to provide accountability of client monies for which the County is custodian.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information - In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component unit - School Board and the component unit – Economic Development Authority. Neither the School Board nor the Economic Development Authority issues separate financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$10,221,997 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Assets:

<u>County of Appomattox, Virginia's Net Assets</u>		
	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 12,120,132	\$ 13,242,699
Capital assets	<u>21,154,513</u>	<u>21,794,753</u>
Total assets	<u>\$ 33,274,645</u>	<u>\$ 35,037,452</u>
Current liabilities	\$ 781,245	\$ 922,639
Long-term liabilities outstanding	<u>22,271,403</u>	<u>23,757,529</u>
Total liabilities	<u>\$ 23,052,648</u>	<u>\$ 24,680,168</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 1,190,814	\$ (310,919)
Unrestricted	<u>9,031,183</u>	<u>10,668,203</u>
Total net assets	<u><u>\$ 10,221,997</u></u>	<u><u>\$ 10,357,284</u></u>

Government-wide Financial Analysis (Continued)

The County's net assets decreased by \$135,287 during the current fiscal year. The following table summarizes the County's Statement of Activities

County of Appomattox, Virginia's Changes in Net Assets			
	Governmental Activities		
	2008	2007	
Charges for services	\$ 448,455	\$ 457,380	
Operating grants and contributions	4,330,058	4,511,884	
General property taxes	8,329,989	7,958,743	
Other local taxes	2,241,637	2,184,586	
Grants and other contributions not restricted	1,153,964	1,182,599	
Other general revenues	656,942	727,509	
Total revenues	\$ 17,161,045	\$ 17,022,701	
General government administration	\$ 1,717,318	\$ 1,306,507	
Judicial administration	1,059,914	1,052,434	
Public safety	3,568,696	3,177,263	
Public works	1,854,655	1,346,568	
Health and welfare	2,790,885	2,309,238	
Education	4,778,638	4,548,847	
Parks, recreation, and cultural	377,658	(76,008)	
Community development	285,603	546,808	
Interest and other fiscal charges	862,965	958,613	
Total expenses	\$ 17,296,332	\$ 15,170,270	
Change in net assets	\$ (135,287)	\$ 1,852,431	
Net assets, beginning of year	10,357,284	8,504,853	
Net assets, end of year	\$ 10,221,997	\$ 10,357,284	

Financial Analysis of the County's Funds

As noted earlier, the County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$11,050,576, a decrease of \$1,033,752 in comparison with the prior year. Approximately 40% of this total amount constitutes unreserved General Fund balance, which is available for spending at the County's discretion.

The County Capital Projects Fund accounts for all major general public improvements. At the end of the fiscal year, the fund balance was \$6,252,587, all of which was designated for current or future capital projects.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were increases of \$5,564,282 and can be briefly summarized as follows:

- < \$ 3,182,156 increase in capital projects expenditures
- < \$ 996,292 increase in health and welfare expenditures
- < \$ 544,867 increase in community development expenditures
- < \$ 377,902 increase in public safety expenditures
- < \$ 218,497 increase in judicial administration expenditures
- < \$ 141,572 increase in general government administration expenditures
- < \$ 102,996 increase in various expenditures

The increase in budgeted General Fund expenditures resulted in an increase in the budgeted beginning General Fund balance. During the year, revenues and other sources exceeded budgetary estimates by \$1,301,539. Budgetary estimates exceeded expenditures and other uses by \$4,635,893 resulting in a positive variance of \$5,937,432.

Capital Asset and Debt Administration

- < **Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2008 amounts to \$21,154,513 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, and machinery and equipment.

Additional information on the County's capital assets can be found in the notes of this report.

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding of \$20,426,366. Of this amount, \$8,696,470 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., lease/revenue bonds and capital leases).

The County's total debt decreased by \$1,534,301 during the current fiscal year.

Additional information on the County of Appomattox, Virginia's long-term debt can be found in the notes of this report.

Economic Factors and Next Year's Budgets and Rates

- < The unemployment rate for the County of 4.7 percent compares to the state's average unemployment rate of 4.0 percent and compares favorably to the national average rate of 5.5 percent.
- < Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2009 fiscal year.

The fiscal year 2009 budget increased by approximately 17%, and all tax rates remained the same except the real estate rate, which decreased from \$0.77 to \$0.44.

Requests for Information

This financial report is designed to provide a general overview of the County of Appomattox, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, P.O. Box 863, Appomattox, Virginia 24522.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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County of Appomattox, Virginia
Statement of Net Assets
June 30, 2008

	Primary Governmental Activities	Component Units School Board	EDA
ASSETS			
Cash and cash equivalents	\$ 9,451,024	\$ 3,077,452	\$ 62,009
Cash in custody of others	-	4,000	-
Receivables (net of allowance for uncollectibles):			
Taxes receivable	904,836	-	-
Accounts receivable	84,337	29,155	-
Due from other governmental units	1,217,268	546,309	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents (in custody of others)	462,667	-	-
Capital assets (net of accumulated depreciation):			
Land	1,038,296	211,370	1,386,773
Buildings and improvements	17,763,259	8,441,072	-
Equipment	2,027,808	943,297	-
Infrastructure	-	-	1,560,658
Construction in progress	325,150	-	-
Total assets	<u>\$ 33,274,645</u>	<u>\$ 13,252,655</u>	<u>\$ 3,009,440</u>
LIABILITIES			
Accounts payable	\$ 339,994	\$ 14,339	\$ -
Accrued liabilities	-	1,728,227	-
Accrued interest payable	373,781	-	-
Due to other governmental units	-	560,985	-
Unearned revenue	67,470	-	-
Long-term liabilities:			
Due within one year	1,639,008	18,243	-
Due in more than one year	20,632,395	534,973	-
Total liabilities	<u>\$ 23,052,648</u>	<u>\$ 2,856,767</u>	<u>\$ -</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 1,190,814	\$ 9,595,739	\$ 2,947,431
Unrestricted (deficit)	9,031,183	800,149	62,009
Total net assets	<u>\$ 10,221,997</u>	<u>\$ 10,395,888</u>	<u>\$ 3,009,440</u>
 Total liabilities and net assets	 <u>\$ 33,274,645</u>	 <u>\$ 13,252,655</u>	 <u>\$ 3,009,440</u>

The notes to the financial statements are an integral part of this statement.

County of Appomattox, Virginia
Statement of Activities
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units	
					Governmental Activities	School Board	EDA
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	\$ 1,717,318	\$ -	\$ 310,590	\$ -	\$ (1,406,728)	\$ -	\$ -
Judicial administration	1,059,914	61,194	548,023	-	(450,697)	-	-
Public safety	3,568,696	160,956	1,533,156	-	(1,874,584)	-	-
Public works	1,854,655	179,060	-	-	(1,675,595)	-	-
Health and welfare	2,790,885	-	1,863,065	-	(927,820)	-	-
Education	4,778,638	-	-	-	(4,778,638)	-	-
Parks, recreation, and cultural	377,658	46,307	66,493	-	(264,858)	-	-
Community development	285,603	938	8,731	-	(275,934)	-	-
Interest on long-term debt	862,965	-	-	-	(862,965)	-	-
Total governmental activities	\$ 17,296,332	\$ 448,455	\$ 4,330,058	\$ -	\$ (12,517,819)	\$ -	\$ -
Total primary government	\$ 17,296,332	\$ 448,455	\$ 4,330,058	\$ -	\$ (12,517,819)	\$ -	\$ -
COMPONENT UNITS:							
School Board	\$ 20,751,859	\$ 627,306	\$ 15,672,929	\$ -	\$ -	\$ (4,451,624)	\$ -
Economic Development Authority	61,137	5,480	-	-	-	-	(55,657)
Total component units	\$ 20,812,996	\$ 632,786	\$ 15,672,929	\$ -	\$ -	\$ (4,451,624)	\$ (55,657)
General revenues:							
General property taxes					\$ 8,329,989	\$ -	\$ -
Local sales and use taxes					815,590	-	-
Consumer utility taxes					343,895	-	-
Communication taxes					646,486	-	-
Other local taxes					435,666	-	-
Unrestricted revenues from use of money and property					516,691	27,322	1,066
Miscellaneous					140,251	214,651	-
Grants and contributions not restricted to specific programs					1,153,964	-	-
Payment from Appomattox County					-	4,716,576	-
Total general revenues					\$ 12,382,532	\$ 4,958,549	\$ 1,066
Change in net assets					\$ (135,287)	\$ 506,925	\$ (54,591)
Net assets - beginning					10,357,284	9,888,963	3,064,031
Net assets - ending					\$ 10,221,997	\$ 10,395,888	\$ 3,009,440

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

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County of Appomattox, Virginia
Balance Sheet
Governmental Funds
June 30, 2008

	<u>General</u>	<u>County Capital Projects</u>	<u>County Special Revenue Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 3,312,812	\$ 5,789,920	\$ 348,292	\$ 9,451,024
Receivables (net of allowance for uncollectibles):				
Taxes receivable	904,836	-	-	904,836
Accounts receivable	84,072	-	265	84,337
Due from other governmental units	1,210,839	-	6,429	1,217,268
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	462,667	-	462,667
Total assets	<u>\$ 5,512,559</u>	<u>\$ 6,252,587</u>	<u>\$ 354,986</u>	<u>\$ 12,120,132</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 339,994	\$ -	\$ -	\$ 339,994
Deferred revenue	729,562	-	-	729,562
Total liabilities	<u>\$ 1,069,556</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,069,556</u>
Fund balances:				
Unreserved, designated for:				
Law library	\$ -	\$ -	\$ 28,374	\$ 28,374
Ballpark	34	-	-	34
Capital improvements	-	3,249,755	-	3,249,755
Courthouse maintenance	2,156	-	-	2,156
Cost of jail keep	-	-	24,025	24,025
Wireless grant	-	-	59,117	59,117
Unreserved, undesignated reported in:				
General fund	4,440,813	-	-	4,440,813
Special revenue funds	-	-	243,470	243,470
Capital projects funds	-	3,002,832	-	3,002,832
Total fund balances	<u>\$ 4,443,003</u>	<u>\$ 6,252,587</u>	<u>\$ 354,986</u>	<u>\$ 11,050,576</u>
Total liabilities and fund balances	<u>\$ 5,512,559</u>	<u>\$ 6,252,587</u>	<u>\$ 354,986</u>	<u>\$ 12,120,132</u>

The notes to the financial statements are an integral part of this statement.

County of Appomattox, Virginia
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
June 30, 2008

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	11,050,576
--	----	------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 30,179,870		
Less: Accumulated depreciation	<u>(9,025,357)</u>		21,154,513

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		662,092
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Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and notes payable	\$ 19,957,038		
Compensated absences	386,688		
Capital leases	469,328		
Landfill accrued closure/post-closure costs	1,458,349		
Interest payable	<u>373,781</u>		(22,645,184)

Net assets of governmental activities	\$	<u><u>10,221,997</u></u>
---------------------------------------	----	--------------------------

The notes to the financial statements are an integral part of this statement.

County of Appomattox, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008

	<u>General</u>	<u>County Capital Projects</u>	<u>County Special Revenue Fund</u>	<u>Total</u>
REVENUES				
General property taxes	\$ 8,360,316	\$ -	\$ -	\$ 8,360,316
Other local taxes	2,233,395	-	8,242	2,241,637
Permits, privilege fees, and regulatory licenses	145,356	-	-	145,356
Fines and forfeitures	27,689	-	-	27,689
Revenue from the use of money and property	391,014	120,701	4,976	516,691
Charges for services	271,381	-	4,029	275,410
Miscellaneous	125,179	-	15,072	140,251
Recovered costs	91,374	-	-	91,374
Intergovernmental revenues:				
Commonwealth	4,680,535	-	52,282	4,732,817
Federal	751,205	-	-	751,205
Total revenues	<u>\$ 17,077,444</u>	<u>\$ 120,701</u>	<u>\$ 84,601</u>	<u>\$ 17,282,746</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,568,371	\$ -	\$ -	\$ 1,568,371
Judicial administration	930,864	-	-	930,864
Public safety	3,532,457	-	11,500	3,543,957
Public works	1,456,118	-	-	1,456,118
Health and welfare	2,772,020	-	-	2,772,020
Education	3,860,845	-	-	3,860,845
Parks, recreation, and cultural	380,070	-	-	380,070
Community development	267,413	-	-	267,413
Capital projects	1,056,668	-	-	1,056,668
Debt service:				
Principal retirement	1,534,301	-	-	1,534,301
Interest and other fiscal charges	945,871	-	-	945,871
Total expenditures	<u>\$ 18,304,998</u>	<u>\$ -</u>	<u>\$ 11,500</u>	<u>\$ 18,316,498</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,227,554)</u>	<u>\$ 120,701</u>	<u>\$ 73,101</u>	<u>\$ (1,033,752)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,134,542	\$ -	\$ -	\$ 1,134,542
Transfers out	-	(934,542)	(200,000)	(1,134,542)
Total other financing sources (uses)	<u>\$ 1,134,542</u>	<u>\$ (934,542)</u>	<u>\$ (200,000)</u>	<u>\$ -</u>
Net change in fund balances	\$ (93,012)	\$ (813,841)	\$ (126,899)	\$ (1,033,752)
Fund balances - beginning	4,536,015	7,066,428	481,885	12,084,328
Fund balances - ending	<u>\$ 4,443,003</u>	<u>\$ 6,252,587</u>	<u>\$ 354,986</u>	<u>\$ 11,050,576</u>

The notes to the financial statements are an integral part of this statement.

County of Appomattox, Virginia
Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2008

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	(1,033,752)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital asset additions	\$ 273,573	
Depreciation expense	<u>(913,813)</u>	(640,240)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(30,327)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments	\$ 1,534,301	
Increase in landfill closure liability	<u>(34,180)</u>	1,500,121

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Increase in compensated absences	\$ (13,995)	
Decrease in accrued interest	<u>82,906</u>	68,911

Change in net assets of governmental activities	\$	<u><u>(135,287)</u></u>
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The notes to the financial statements are an integral part of this statement.

County of Appomattox, Virginia
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 17,279
	<hr/>
LIABILITIES	
Amounts held for social services clients	\$ 13,068
Amounts held for others	3,651
Amounts held for inmates	560
Total liabilities	\$ 17,279
	<hr/>

The notes to the financial statements are an integral part of this statement.

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements As of June 30, 2008

Note 1—Summary of Significant Accounting Policies:

The County of Appomattox, Virginia (the "County") is governed by an elected five member Board of Supervisors. The County provides a full range of services for its citizens. These services include police and fire protection, sanitation service, recreational activities, cultural events, education, and social services.

The financial statements of the County of Appomattox, Virginia have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the government's accounting policies are described below.

Management's Discussion and Analysis - GASB Statement No. 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Assets - The Statement of Net Assets is designed to display financial position of the primary government (government and business-type activities) and its discretely presented component units. Governments will report all capital assets in the government-wide Statement of Net Assets and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government will be broken down into three categories - 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Budgetary Comparison Schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the reporting model, governments provide budgetary comparison information in their annual reports, including a requirement to report the government's original budget with the comparison of final budget and actual results.

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Appomattox (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

B. Individual Component Unit Disclosures

Blended Component Unit. The County has no blended component units at June 30, 2008.

Discretely Presented Component Units. The School Board members are elected by the citizens of Appomattox County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2008.

The Economic Development Authority of Appomattox County is responsible for industrial and commercial development in the County. The Authority consists of members that are appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2008. The Economic Development Authority does not issue a separate financial report.

C. Other Related Organizations Included in the County's Financial Report

None

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The County applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as deferred revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the County.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The County reports the General Fund as a major governmental fund.

The General Fund is the primary operating fund of the County. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for government-wide reporting purposes.

Capital Projects Funds - Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities. The County Capital Projects Fund is reported as a major fund.

The County reports the following nonmajor governmental funds:

Special Revenue Funds: Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Fiduciary Funds - (Trust and Agency Funds) - account for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

F. Investments

Investments are stated at fair value which approximates market; no investments are valued at cost. Certificates of deposit and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portions of the interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds.”

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$151,959 at June 30, 2008 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

The tax calendars for real and personal property taxes are summarized below.

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	June 5/December 5	December 5
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

H. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The County does not have any infrastructure in its capital assets since roads, streets, bridges and similar assets within its boundaries are the property of the Commonwealth of Virginia. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded as estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Building Improvements	40
Furniture, Vehicles, and Office Equipment	5-20
Buses	10

I. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Assets. In accordance with the provisions of Governmental Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to received sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

J. Retirement Plan

Retirement plan contributions are actuarially determined and consist of current service costs and amortization of prior service cost over a 30-year period. The County’s policy is to fund pension cost as it accrues.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

L. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

M. Net Assets

Net assets are the difference between assets and liabilities. Net assets invested in capital assets represent capital assets, less accumulated depreciation less any outstanding debt related to the acquisition, construction or improvement of those assets.

N. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Note 2—Stewardship, Compliance, and Accounting:

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

1. On or before March 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse on June 30, for all County units.

Expenditures and Appropriations

Expenditures exceeded appropriations in the following fund at June 30, 2008:

Special Revenue Fund	\$11,500
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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

NOTE 3—Deposits and Investments:

Deposits

All cash of the primary government and its discretely presented component units is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act (a multiple financial institution collateral pool), Section 2.2-4400 et. seq. of the Code of Virginia or covered by federal depository insurance. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and Loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. Deposits covered by the Act are considered insured since the Treasury Board is authorized to make additional assessments.

Investments

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP).

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2008 were rated by Standard and Poor’s and the ratings are presented below using the Standard and Poor’s rating scale. The County will minimize credit risk by limiting investments to the safest type of securities.

		<u>Fair Quality Ratings</u>
		<u>AAAm</u>
Local Government Investment Pool	\$	2,500,000
State Non-Arbitrage Pool		462,667
Total	\$	<u>2,962,667</u>

Interest Rate Risk

The County will minimize the risk that the market value of securities in that portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

External Investment Pools

The State Non-Arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission (SEC). The fair value of the positions in the SNAP and Local Government Investment Pool (LGIP) is the same as the value of the pool shares. As the LGIP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 4—Due to/from Other Governments:

At June 30, 2008, the County has receivables from other governments as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Other Local Governments:		
Appomattox County School Board	\$ 560,985	\$ -
Commonwealth of Virginia:		
Local sales tax	137,405	-
Welfare	33,873	-
Rolling stock tax	35,131	-
Comprehensive services	102,035	-
State Sales Tax	-	349,020
Wireless grant	6,429	-
Constitutional officer reimbursements	159,352	-
Recordation tax	8,719	-
Mobile home titling tax	538	-
Department of Forestry	16,490	-
Local law enforcement block grant	1,399	-
Communications tax	103,869	-
Federal Government:		
School fund grants	-	197,289
Welfare	51,043	-
Total due from other governments	\$ <u>1,217,268</u>	\$ <u>546,309</u>

At June 30, 2008, amounts due to other local governments are as follows:

Other Local Governments:		
County of Appomattox	\$ <u>-</u>	\$ <u>560,985</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 5—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2008:

Primary Government:

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 1,038,296	\$ -	\$ -	\$ 1,038,296
Construction in progress	647,145	71,005	393,000	325,150
Total capital assets not subject to depreciation	\$ 1,685,441	\$ 71,005	\$ 393,000	\$ 1,363,446
Capital assets subject to depreciation:				
Buildings	\$ 10,934,354	\$ 567,419	\$ -	\$ 11,501,773
Equipment	3,632,963	862,126	-	4,495,089
Jointly owned assets	13,653,539	22,130	856,107	12,819,562
Total capital assets being depreciated	\$ 28,220,856	\$ 1,451,675	\$ 856,107	\$ 28,816,424
Less accumulated depreciation for:				
Buildings	\$ 2,072,790	\$ 362,194	\$ -	\$ 2,434,984
Equipment	2,015,482	451,799	-	2,467,281
Jointly owned assets	4,023,272	371,898	272,078	4,123,092
Total accumulated depreciation	\$ 8,111,544	\$ 1,185,891	\$ 272,078	\$ 9,025,357
Total capital assets being depreciated, net	\$ 20,109,312	\$ 265,784	\$ 584,029	\$ 19,791,067
Governmental capital assets, net	\$ 21,794,753	\$ 336,789	\$ 977,029	\$ 21,154,513

Component Unit - School Board:

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 211,370	\$ -	\$ -	\$ 211,370
Total capital assets not subject to depreciation	\$ 211,370	\$ -	\$ -	\$ 211,370
Capital assets subject to depreciation:				
Equipment	\$ 2,785,663	\$ 317,027	\$ -	\$ 3,102,690
Jointly owned assets	11,586,969	856,107	-	12,443,076
Total capital assets being depreciated	\$ 14,372,632	\$ 1,173,134	\$ -	\$ 15,545,766
Less accumulated depreciation for:				
Equipment	\$ 1,954,132	\$ 205,261	\$ -	\$ 2,159,393
Jointly owned assets	3,414,318	587,686	-	4,002,004
Total accumulated depreciation	\$ 5,368,450	\$ 792,947	\$ -	\$ 6,161,397
Total capital assets being depreciated, net	\$ 9,004,182	\$ 380,187	\$ -	\$ 9,384,369
Governmental capital assets, net	\$ 9,215,552	\$ 380,187	\$ -	\$ 9,595,739

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 5—Capital Assets: (Continued)

Component Unit - Economic Development Authority:

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008
Business-Type activities:				
Capital assets not subject to depreciation:				
Land	\$ 1,386,773	\$ -	\$ -	\$ 1,386,773
Total capital assets not subject to depreciation	\$ 1,386,773	\$ -	\$ -	\$ 1,386,773
Capital assets subject to depreciation:				
Infrastructure	\$ 1,861,204	\$ -	\$ -	\$ 1,861,204
Total capital assets being depreciated	\$ 1,861,204	\$ -	\$ -	\$ 1,861,204
Less accumulated depreciation for:				
Infrastructure	\$ 254,016	\$ 46,530	\$ -	\$ 300,546
Total accumulated depreciation	\$ 254,016	\$ 46,530	\$ -	\$ 300,546
Total capital assets being depreciated, net	\$ 1,607,188	\$ (46,530)	\$ -	\$ 1,560,658
Business-Type capital assets, net	\$ 2,993,961	\$ (46,530)	\$ -	\$ 2,947,431

Depreciation expense was charged to functions/programs/funds as follows:

Governmental activities:

General government administration	\$ 77,616
Judicial administration	146,087
Public safety	361,354
Public works	131,606
Health and welfare	14,628
Education	106,016
Parks, recreation and cultural	35,559
Community development	40,947

Total Governmental activities \$ 913,813

Component Unit School Board \$ 792,947

Component Unit Economic Development Authority \$ 46,530

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 6—Interfund Transfers:

Interfund transfers for the year ended June 30, 2008, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 1,134,542	\$ -
County Special Revenue Fund	-	200,000
County Capital Projects Fund	-	934,542
Total	\$ <u>1,134,542</u>	\$ <u>1,134,542</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

Note 7—Long Term Obligations:

The following is a summary of long-term obligation transactions of the County for the fiscal year ended June 30, 2008:

	<u>Amounts Payable at July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts Payable at June 30, 2008</u>	<u>Amounts Due Within One Year</u>
Governmental Obligations:					
Incurred by County:					
Compensated absences payable	\$ 372,693	\$ 13,995	\$ -	\$ 386,688	\$ 38,669
Lease revenue bond	12,015,406	-	754,838	11,260,568	792,076
Landfill postclosure care	<u>1,424,169</u>	<u>34,180</u>	<u>-</u>	<u>1,458,349</u>	<u>-</u>
Total incurred by County	\$ <u>13,812,268</u>	\$ <u>48,175</u>	\$ <u>754,838</u>	\$ <u>13,105,605</u>	\$ <u>830,745</u>
Incurred by School Board:					
General obligation bonds	\$ 9,384,347	\$ -	\$ 687,877	\$ 8,696,470	\$ 710,834
Capital Leases (See Note 8)	<u>560,914</u>	<u>-</u>	<u>91,586</u>	<u>469,328</u>	<u>97,429</u>
Total incurred by School Board	\$ <u>9,945,261</u>	\$ <u>-</u>	\$ <u>779,463</u>	\$ <u>9,165,798</u>	\$ <u>808,263</u>
Total General Obligations, Primary Government	\$ <u>23,757,529</u>	\$ <u>48,175</u>	\$ <u>1,534,301</u>	\$ <u>22,271,403</u>	\$ <u>1,639,008</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 7—Long Term Obligations: (Continued)

Primary Government:

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30	County Obligations	
	Lease Revenue Bonds	
	Principal	Interest
2009	\$ 792,076	\$ 420,297
2010	819,755	390,257
2011	854,789	359,080
2012	883,894	326,678
2013	919,211	293,082
2014	955,572	258,163
2015	991,178	221,873
2016	718,022	184,329
2017	745,374	157,188
2018	779,047	128,934
2019	805,850	99,516
2020	614,200	72,902
2021	491,400	49,131
2022	510,200	30,246
2023	380,000	10,635
Total	\$ <u>11,260,568</u>	\$ <u>3,002,311</u>

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (continued)

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30	School Obligations	
	General Obligation Bonds	
	Principal	Interest
2009	\$ 710,834	\$ 419,423
2010	719,698	381,614
2011	733,767	343,545
2012	663,290	307,754
2013	683,319	274,064
2014	695,100	238,028
2015	662,505	202,825
2016	680,569	168,283
2017	699,327	132,792
2018	464,676	102,957
2019	476,431	78,958
2020	493,541	54,224
2021	502,253	33,854
2022	511,160	13,035
Total	\$ <u>8,696,470</u>	\$ <u>2,751,356</u>

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (continued)

Long-term obligations at June 30, 2008 are as follows:

General Obligations:

Incurred by County:

Lease Revenue Bonds:

\$5,288,000 lease revenue bond issued June 10, 2003, payable in varying annual installments, interest at 3.72%, through June 10, 2023.	\$ 4,459,800
\$2,545,994 lease revenue bond issued June 10, 2003, payable in varying annual installments, interest at 3.47%, through June 10, 2019.	1,985,568
\$4,195,000 lease revenue bond issued May 11, 2005, payable in varying annual installments, interest at varying rates, through February 1, 2020.	3,239,000
\$1,650,000 lease revenue bond issued December 13, 2006, payable in varying annual installments, interest at 4.070%, through February 1, 2022.	<u>1,576,200</u>
Total lease revenue bonds	\$ <u>11,260,568</u>
Landfill postclosure care liability	\$ <u>1,458,349</u>
Compensated absences (payable by the general fund)	\$ <u>386,688</u>
Total Incurred by County	\$ <u>13,105,605</u>

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (continued)

Incurred by School Board:

Incurred by School Board:

General Obligation bonds

\$1,000,000 school bond issued May 5, 1994, payable in varying amounts and interest rates (6.19%-6.30%) through July 15, 2013	\$ 310,000
\$1,285,000 school bond issued August 1, 1990 payable in varying amounts and interest rates through July 15, 2015	245,000
\$3,789,949 school bond issued November 1, 1996, payable in varying amounts and interest rates through July 15, 2017	1,969,476
\$1,850,000 school bond issued October 26, 2001, payable in varying amounts and interest rates through July 15, 2021	1,460,000
\$6,512,513 school bond issued October 26, 2001, payable in varying amounts and rates through July 15, 2021	<u>4,711,994</u>
Total General Obligation Bonds	<u>\$ 8,696,470</u>

Capital Lease Obligations:

\$1,045,989 capital lease obligation issued January 1, 2001 payable in varying interest and principal payments through December 1, 2012, at 6.20%	\$ <u>469,328</u>
Total capital lease obligations	<u>\$ 469,328</u>
Total Incurred by School Board	<u>\$ 9,165,798</u>
Total General Obligations, Primary Government	<u>\$ 22,271,403</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 7—Long-Term Obligations: (Continued)

Discretely Presented Component - Unit School Board:

The following is a summary of long-term obligation transactions of the Component Unit School Board for the fiscal year ended June 30, 2008:

	Amounts Payable at July 1, 2007	Increases	Decreases	Amounts Payable at June 30, 2008	Amounts Due Within One Year
Component Unit-School Board:					
Early retirement liability	\$ 570,108	\$ -	\$ 16,892	\$ 553,216	\$ 18,243
Total Component Unit-School Board	<u>\$ 570,108</u>	<u>\$ -</u>	<u>\$ 16,892</u>	<u>\$ 553,216</u>	<u>\$ 18,243</u>

Year Ending June 30	Early Retirement Liability Payable	
	Principal	Interest
2009	\$ 18,243	\$ 44,258
2010	19,703	42,798
2011	21,279	41,222
2012	22,981	39,520
2013	24,820	37,681
2014	26,806	35,695
2015	28,950	33,551
2016	31,266	31,235
2017	33,767	28,734
2018	36,468	26,033
2019	39,386	23,115
2020	42,537	19,964
2021	45,940	16,561
2022	49,615	12,886
2023	53,584	8,917
2024	57,871	4,630
Total	<u>\$ 553,216</u>	<u>\$ 446,800</u>

\$703,618 VRS early retirement incentive issued July 1, 1994, payable in annual amounts of principal and interest of \$62,501 through July 1, 2024.

\$553,216

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 8—Capital Lease:

The government has entered into a lease agreement as lessee for financing the acquisition of energy upgrades for the Component Unit-School Board's schools. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

The asset acquired through capital lease is as follows:

	Component Unit School Board
Asset:	
Building	\$ 1,100,000
Less: Accumulated depreciation	(440,000)
Total	<u>\$ 660,000</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008, are as follows:

Year Ended June 30	Component Unit School Board
2009	\$ 123,793
2010	123,793
2011	123,793
2012	123,793
2013	<u>41,265</u>
Total minimum lease payments	\$ 536,437
Less: amount representing interest	<u>(67,109)</u>
Present value of minimum lease payments	<u>\$ 469,328</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 9—Deferred Revenue:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$729,562 is comprised of the following:

Deferred Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$662,092 at June 30, 2008.

Prepaid Property Taxes - Property taxes due subsequent to June 30, 2008 but paid in advance by the taxpayers totaled \$67,470 at June 30, 2008.

Note 10— Commitments and Contingent Liabilities:

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

Note 11—Litigation:

At June 30, 2008, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

Note 12 —Risk Management:

The County and the Component Unit School Board are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance.

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County pays Virginia Municipal Group contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 12 –Risk Management: (Continued)

The County also participates with other localities in a public entity risk pool for their coverage of general liability and auto insurance with Virginia Municipal League and public officials' liability with the Virginia Association of Counties Group Self Insurance Risk Pool. The County pays an annual premium to the pools for general insurance through member premiums. The County continues to carry commercial insurance for all other risks of loss. The Component Unit School Board carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 13 –Defined Benefit Pension Plan:

Primary Government and Discretely Presented Component Unit School Board:

A. Plan Description

Name of Plan:	Virginia Retirement System (VRS)
Identification of Plan:	Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Administering Entity:	Virginia Retirement System (System)

The County and School Board contribute to the Virginia Retirement System (VRS). All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs) or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.7 percent of their average final compensation (AFC) for each year of credited service (1.85% to sheriffs and if the employer elects, to other employees in hazardous duty positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases limited to 5% per year beginning in their second year of retirement. AFC is defined as the highest consecutive 36 months of reported compensation. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/Pdf/publications/2007AnnuRept.pdf> or obtained by writing to the System at P.O. Box 2500, Richmond, VA 23218-2500.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Note 13 – Defined Benefit Pension Plan: (Continued)

Primary Government and Discretely Presented Component Unit School Board: (Continued)

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% member contribution may be assumed by the employer. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County and School Board's non-professional employees contribution rates for the fiscal year ended 2008 were 10.20% and 7.26% of annual covered payroll, respectively.

The School Board's professional employees contributed \$1,039,644, \$900,422, and \$604,949, to the teacher cost-sharing pool for the fiscal years ended June 30, 2008, 2007, and 2006 respectively, and these contributions represented 10.30%, 9.20%, and 6.62%, respectively, of current covered payroll.

C. Annual Pension Cost

For fiscal year 2008, the County's annual pension cost of \$575,023 (which includes the employee portion assumed by the County of \$192,627) was equal to the County's required and actual contributions.

For fiscal year 2008, the County School Board's annual pension cost for the Board's non-professional employees was \$82,080, (which includes the employee portion assumed by the County of \$33,475) which was equal to the Board's required and actual contributions.

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) (1)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 2008	\$ 382,396	100%	\$ -
June 30, 2007	332,596	100%	-
June 30, 2006	290,606	100%	-
School Board:			
Non-Professional:			
June 30, 2008	\$ 48,605	100%	\$ -
June 30, 2007	59,661	100%	-
June 30, 2006	11,338	100%	-

(1) Employer portion only

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2008 (Continued)

Primary Government and Discretely Presented Component Unit School Board: (Continued)

Primary Government: (Continued)

C. Annual Pension Cost (Continued)

The required contribution was determined as part of the June 30, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at June 30, 2007 included (a) 7.50% investment rate of return, (b) projected salary increases ranging from 3.75% to 5.73% per year, and (c) 2.50% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 2.50%. The actuarial value of the County's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's and School Board's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis within a period of 21 years.

D. Funded Status and Funding Progress

As of June 30, 2007, the most recent actuarial valuation date, the Primary Government plan was 85.69% funded. The actuarial accrued liability for benefits was \$15,181,452, and the actuarial value of assets was \$13,009,420, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,172,032. The covered payroll (annual payroll of active employees covered by the plan) was \$3,716,487, and ratio of the UAAL to the covered payroll was 58.44%.

As of June 30, 2007, the most recent actuarial valuation date, the School Board's Non-Professional plan was 98.21% funded. The actuarial accrued liability for benefits was \$2,070,542, and the actuarial value of assets was \$2,033,380, resulting in an unfunded actuarial accrued liability (UAAL) of \$37,162. The covered payroll (annual payroll of active employees covered by the plan) was \$795,331, and ratio of the UAAL to the covered payroll was 4.67%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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REQUIRED SUPPLEMENTARY INFORMATION

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION:

***Presented budgets were prepared in accordance with
accounting principles generally accepted in the
United States of America***

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County of Appomattox, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
General property taxes	\$ 9,372,956	\$ 9,372,956	\$ 8,360,316	\$ (1,012,640)
Other local taxes	1,888,729	1,888,729	2,233,395	344,666
Permits, privilege fees, and regulatory licenses	98,900	98,900	145,356	46,456
Fines and forfeitures	27,723	27,723	27,689	(34)
Revenue from the use of money and property	364,221	364,220	391,014	26,794
Charges for services	263,196	263,196	271,381	8,185
Miscellaneous	60,089	60,089	125,179	65,090
Recovered costs	79,600	79,600	91,374	11,774
Intergovernmental revenues:				
Commonwealth	3,481,046	3,481,046	4,680,535	1,199,489
Federal	674,107	674,107	751,205	77,098
Total revenues	<u>\$ 16,310,567</u>	<u>\$ 16,310,566</u>	<u>\$ 17,077,444</u>	<u>\$ 766,878</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,501,974	\$ 1,643,546	\$ 1,568,371	\$ 75,175
Judicial administration	861,813	1,080,310	930,864	149,446
Public safety	3,346,527	3,724,429	3,532,457	191,972
Public works	1,496,648	1,553,378	1,456,118	97,260
Health and welfare	2,066,169	3,062,461	2,772,020	290,441
Education	4,511,320	4,511,320	3,860,845	650,475
Parks, recreation, and cultural	475,814	504,288	380,070	124,218
Community development	517,643	1,062,510	267,413	795,097
Capital projects	118,529	3,300,685	1,056,668	2,244,017
Debt service:				
Principal retirement	1,534,301	1,534,301	1,534,301	-
Interest and other fiscal charges	945,871	963,663	945,871	17,792
Total expenditures	<u>\$ 17,376,609</u>	<u>\$ 22,940,891</u>	<u>\$ 18,304,998</u>	<u>\$ 4,635,893</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,066,042)</u>	<u>\$ (6,630,325)</u>	<u>\$ (1,227,554)</u>	<u>\$ 5,402,771</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 599,881	\$ 599,881	\$ 1,134,542	\$ 534,661
Total other financing sources and uses	<u>\$ 599,881</u>	<u>\$ 599,881</u>	<u>\$ 1,134,542</u>	<u>\$ 534,661</u>
Net change in fund balances	\$ (466,161)	\$ (6,030,444)	\$ (93,012)	\$ 5,937,432
Fund balances - beginning	466,161	6,030,444	4,536,015	(1,494,429)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,443,003</u>	<u>\$ 4,443,003</u>

County of Appomattox, Virginia

Schedule of Funding Progress-Virginia Retirement System

Last Seven Fiscal Years

Valuation Date (1)	Unfunded					
	Actuarial Value of Assets (AVA) (2)	Actuarial Accrued Liability (AAL) (3)	(Excess Funded) Actuarial Accrued Liability (UAAL) (3-2) (4)	Funded Ratio (2)/(3) (5)	Annual Covered Payroll (6)	UAAL as % of Payroll (4)/(6) (7)
County:						
6/30/2007	\$ 13,009,420	\$ 15,181,452	2,172,032	85.69%	\$ 3,716,487	58.44%
6/30/2006	11,422,045	12,970,976	1,548,931	88.06%	3,204,187	48.34%
6/30/2005	10,567,651	12,474,514	1,906,863	84.71%	2,936,907	64.93%
6/30/2004	10,108,022	11,350,662	1,242,640	89.05%	2,855,983	43.51%
6/30/2003	9,776,261	10,406,571	630,310	93.94%	2,816,707	22.38%
6/30/2002	9,475,523	9,477,867	2,344	99.98%	2,748,741	0.09%
6/30/2001	9,011,744	8,769,068	(242,676)	102.77%	2,700,675	-8.99%
School Board Non-Professionals:						
6/30/2007	\$ 2,033,380	\$ 2,070,542	37,162	98.21%	\$ 795,331	4.67%
6/30/2006	1,792,492	1,875,955	83,463	95.55%	780,958	10.69%
6/30/2005	1,710,788	1,891,413	180,625	90.45%	736,895	24.51%
6/30/2004	1,678,809	1,570,229	(108,580)	106.91%	660,514	-16.44%
6/30/2003	1,669,062	1,439,863	(229,199)	115.92%	599,423	-38.24%
6/30/2002	1,675,942	1,344,901	(331,041)	124.61%	655,012	-50.54%
6/30/2001	1,610,915	1,237,113	(373,802)	130.22%	650,447	-57.47%

OTHER SUPPLEMENTARY INFORMATION

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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County of Appomattox, Virginia
County Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>				<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>		<u>Final</u>	<u>Actual Amounts</u>	
REVENUES					
Revenue from the use of money and property	\$	-	\$	-	\$ 120,701
Total revenues	\$	-	\$	-	\$ 120,701
EXPENDITURES					
Current:					
Capital Projects	\$	-	\$	-	\$ -
Total expenditures	\$	-	\$	-	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$	-	\$	-	\$ 120,701
OTHER FINANCING SOURCES (USES)					
Transfers out	\$	-	\$	-	\$ (934,542)
Total other financing sources and uses	\$	-	\$	-	\$ (934,542)
Net change in fund balances	\$	-	\$	-	\$ (813,841)
Fund balances - beginning		-		-	7,066,428
Fund balances - ending	\$	-	\$	-	\$ 6,252,587

County of Appomattox, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
County Special Revenue Fund
For the Year Ended June 30, 2008

	County Special Revenue Fund				Variance with Final Budget Positive Negative
	Budgeted Amounts				
	Original	Final	Actual		
REVENUES					
Other local taxes	\$ -	\$ -	\$ 8,242	\$	8,242
Revenue from the use of money and property	-	-	4,976		4,976
Charges for services	-	-	4,029		4,029
Miscellaneous	9,201	9,201	15,072		5,871
Intergovernmental revenues:					
Commonwealth	-	-	52,282		52,282
Total revenues	\$ 9,201	\$ 9,201	\$ 84,601	\$	75,400
EXPENDITURES					
Current:					
Public safety	\$ -	\$ -	\$ 11,500	\$	(11,500)
Total expenditures	\$ -	\$ -	\$ 11,500	\$	(11,500)
Excess (deficiency) of revenues over (under) expenditures	\$ 9,201	\$ 9,201	\$ 73,101	\$	63,900
OTHER FINANCING SOURCES (USES)					
Transfers out	\$ -	\$ -	\$ (200,000)	\$	(200,000)
Total other financing sources and uses	\$ -	\$ -	\$ (200,000)	\$	(200,000)
Net change in fund balances	\$ 9,201	\$ 9,201	\$ (126,899)	\$	(136,100)
Fund balances - beginning	-	-	481,885		481,885
Fund balances - ending	\$ 9,201	\$ 9,201	\$ 354,986	\$	345,785

County of Appomattox, Virginia
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	<u>Agency Funds</u>			
	<u>Special Welfare</u>	<u>Jail Inmate</u>	<u>Sheriff Drug</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 13,068	\$ 560	\$ 3,651	\$ 17,279
Total assets	<u>\$ 13,068</u>	<u>\$ 560</u>	<u>\$ 3,651</u>	<u>\$ 17,279</u>
LIABILITIES				
Amounts held for social services clients	\$ 13,068	\$ -	\$ -	\$ 13,068
Amounts held for others	-	-	3,651	3,651
Amounts held for inmates	-	560	-	560
Total liabilities	<u>\$ 13,068</u>	<u>\$ 560</u>	<u>\$ 3,651</u>	<u>\$ 17,279</u>

County of Appomattox, Virginia

Fiduciary Funds
Statement of Changes in Fiduciary Net Assets - Agency Funds
For the Year Ended June 30, 2008

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Special Welfare Fund:				
Assets:				
Cash and cash equivalents	\$ 8,904	\$ 22,267	\$ 18,103	\$ 13,068
Liabilities:				
Amounts held for social services clients	\$ 8,904	\$ 22,267	\$ 18,103	\$ 13,068
Jail Inmate Fund:				
Assets:				
Cash and cash equivalents	\$ 2,492	\$ 17,600	\$ 19,532	\$ 560
Total assets	\$ 2,492	\$ 17,600	\$ 19,532	\$ 560
Liabilities:				
Amounts held for inmates	\$ 2,492	\$ 17,600	\$ 19,532	\$ 560
Total liabilities	\$ 2,492	\$ 17,600	\$ 19,532	\$ 560
Sheriff Drug Fund:				
Assets:				
Cash and cash equivalents	\$ 8,871	\$ 280	\$ 5,500	\$ 3,651
Liabilities:				
Amounts held for others	\$ 8,871	\$ 280	\$ 5,500	\$ 3,651
Totals -- All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 11,396	\$ 39,867	\$ 37,635	\$ 17,279
Total assets	\$ 11,396	\$ 39,867	\$ 37,635	\$ 17,279
Liabilities:				
Amounts held for others	\$ 8,871	\$ 280	\$ 5,500	\$ 3,651
Amounts held for inmates	2,492	17,600	19,532	560
Amounts held for social services clients	8,904	22,267	18,103	13,068
Total liabilities	\$ 20,267	\$ 40,147	\$ 43,135	\$ 17,279

*DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD*

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County of Appomattox, Virginia
Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2008

	<u>School Operating Fund</u>	<u>School Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,663,508	\$ 1,413,944	\$ 3,077,452
Cash in custody of others	-	4,000	4,000
Receivables (net of allowance for uncollectibles):			
Accounts receivable	29,015	140	29,155
Due from other governmental units	546,309	-	546,309
Total assets	<u>\$ 2,238,832</u>	<u>\$ 1,418,084</u>	<u>\$ 3,656,916</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 14,339	\$ -	\$ 14,339
Accrued liabilities	1,661,508	66,719	1,728,227
Due to other governmental units	560,985	-	560,985
Total liabilities	<u>\$ 2,236,832</u>	<u>\$ 66,719</u>	<u>\$ 2,303,551</u>
Fund balances:			
Unreserved:			
Undesignated	\$ 2,000	\$ 1,351,365	\$ 1,353,365
Total fund balances	<u>\$ 2,000</u>	<u>\$ 1,351,365</u>	<u>\$ 1,353,365</u>
Total liabilities and fund balances	<u>\$ 2,238,832</u>	<u>\$ 1,418,084</u>	<u>\$ 3,656,916</u>

Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

Total fund balances per above	\$ 1,353,365
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	9,595,739
Long-term liabilities, including VRS early retirement incentive, are not due and payable in the current period and, therefore, are not reported in the funds.	(553,216)
Net assets of governmental activities	<u>\$ 10,395,888</u>

County of Appomattox, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2008

	<u>School Operating Fund</u>	<u>School Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Revenue from the use of money and property	\$ 6,893	\$ 20,429	\$ 27,322
Charges for services	151,366	475,940	627,306
Miscellaneous	214,651	-	214,651
Recovered costs	54,937	-	54,937
Intergovernmental revenues:			
Local government	3,860,469	-	3,860,469
Commonwealth	13,762,265	13,791	13,776,056
Federal	1,388,861	508,012	1,896,873
Total revenues	<u>\$ 19,439,442</u>	<u>\$ 1,018,172</u>	<u>\$ 20,457,614</u>
EXPENDITURES			
Current:			
Education	\$ 19,204,980	\$ 1,038,326	\$ 20,243,306
Capital projects	41,961	-	41,961
Debt service:			
Principal retirement	16,892	-	16,892
Interest and other fiscal charges	45,609	-	45,609
Total expenditures	<u>\$ 19,309,442</u>	<u>\$ 1,038,326</u>	<u>\$ 20,347,768</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 130,000</u>	<u>\$ (20,154)</u>	<u>\$ 109,846</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ 130,000	\$ 130,000
Transfers out	(130,000)	-	(130,000)
Total other financing sources and uses	<u>\$ (130,000)</u>	<u>\$ 130,000</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ 109,846	\$ 109,846
Fund balances - beginning	2,000	1,241,519	1,243,519
Fund balances - ending	<u>\$ 2,000</u>	<u>\$ 1,351,365</u>	<u>\$ 1,353,365</u>

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above \$ 109,846

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. 380,187

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 16,892

Change in net assets of governmental activities \$ 506,925

County of Appomattox, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2008

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 317,000	\$ 317,000	\$ 6,893	\$ (310,107)
Charges for services	9,600	9,600	151,366	141,766
Miscellaneous	62,700	62,700	214,651	151,951
Recovered costs	20,500	20,500	54,937	34,437
Intergovernmental revenues:				
Local government	4,810,944	4,810,944	3,860,469	(950,475)
Commonwealth	13,840,568	13,840,568	13,762,265	(78,303)
Federal	1,435,222	1,435,222	1,388,861	(46,361)
Total revenues	<u>\$ 20,496,534</u>	<u>\$ 20,496,534</u>	<u>\$ 19,439,442</u>	<u>\$ (1,057,092)</u>
EXPENDITURES				
Current:				
Education	\$ 19,478,312	\$ 19,478,312	\$ 19,204,980	\$ 273,332
Capital projects	655,721	655,721	41,961	613,760
Debt service:				
Principal retirement	16,892	16,892	16,892	-
Interest and other fiscal charges	45,609	45,609	45,609	-
Total expenditures	<u>\$ 20,196,534</u>	<u>\$ 20,196,534</u>	<u>\$ 19,309,442</u>	<u>\$ 887,092</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 130,000</u>	<u>\$ (170,000)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (300,000)	\$ (300,000)	\$ (130,000)	\$ 170,000
Total other financing sources and uses	<u>\$ (300,000)</u>	<u>\$ (300,000)</u>	<u>\$ (130,000)</u>	<u>\$ 170,000</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	2,000	2,000
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>

County of Appomattox, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Fund - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2008

	School Special Revenue Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 15,000	\$ 15,000	\$ 20,429	\$ 5,429
Charges for services	430,250	430,250	475,940	45,690
Intergovernmental revenues:				
Commonwealth	13,456	13,456	13,791	335
Federal	410,000	410,000	508,012	98,012
Total revenues	<u>\$ 868,706</u>	<u>\$ 868,706</u>	<u>\$ 1,018,172</u>	<u>\$ 149,466</u>
EXPENDITURES				
Current:				
Education	\$ 1,236,153	\$ 1,236,153	\$ 1,038,326	\$ 197,827
Total expenditures	<u>\$ 1,236,153</u>	<u>\$ 1,236,153</u>	<u>\$ 1,038,326</u>	<u>\$ 197,827</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (367,447)</u>	<u>\$ (367,447)</u>	<u>\$ (20,154)</u>	<u>\$ 347,293</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 300,000	\$ 300,000	\$ 130,000	\$ (170,000)
Total other financing sources and uses	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 130,000</u>	<u>\$ (170,000)</u>
Net change in fund balances	\$ (67,447)	\$ (67,447)	\$ 109,846	\$ 177,293
Fund balances - beginning	67,447	67,447	1,241,519	1,174,072
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,351,365</u>	<u>\$ 1,351,365</u>

***DISCRETELY PRESENTED COMPONENT UNIT
ECONOMIC DEVELOPMENT AUTHORITY***

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County of Appomattox, Virginia
Statement of Net Assets
Discretely Presented Component Unit-Economic Development Authority
June 30, 2008

ASSETS

Current assets:

Cash and cash equivalents	\$ 62,009
---------------------------	-----------

Noncurrent assets:

Capital assets:

Land	\$ 1,386,773
Infrastructure	1,861,204
Less accumulated depreciation	(300,546)
Total capital assets	\$ 2,947,431
Total noncurrent assets	\$ 2,947,431

Total assets	\$ 3,009,440
--------------	--------------

NET ASSETS

Invested in capital assets, net of related debt	\$ 2,947,431
---	--------------

Unrestricted	62,009
--------------	--------

Total net assets	\$ 3,009,440
------------------	--------------

County of Appomattox, Virginia
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Discretely Presented Component Unit-Economic Development Authority
For the Year Ended June 30, 2008

OPERATING REVENUES

Charges for services:

Bond fees	\$ 5,480
Total operating revenues	<u>\$ 5,480</u>

OPERATING EXPENSES

Contractual services	\$ 13,390
Other supplies and expenses	1,217
Depreciation	46,530
Total operating expenses	<u>\$ 61,137</u>
Operating income (loss)	<u>\$ (55,657)</u>

NONOPERATING REVENUES (EXPENSES)

Investment earnings	\$ 1,066
Total nonoperating revenues (expenses)	<u>\$ 1,066</u>
Change in net assets	<u>\$ (54,591)</u>

Total net assets - beginning	3,064,031
Total net assets - ending	<u><u>\$ 3,009,440</u></u>

County of Appomattox, Virginia
Statement of Cash Flows
Discretely Presented Component Unit-Economic Development Authority
For the Year Ended June 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 5,480
Payments for operating activities	<u>(14,607)</u>

Net cash provided (used) by operating activities	<u>\$ (9,127)</u>
--	-------------------

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends received	<u>\$ 1,066</u>
---------------------------------	-----------------

Net cash provided (used) by investing activities	<u>\$ 1,066</u>
--	-----------------

Net increase (decrease) in cash and cash equivalents	(8,061)
--	---------

Cash and cash equivalents - beginning	70,070
---------------------------------------	--------

Cash and cash equivalents - ending	<u><u>\$ 62,009</u></u>
------------------------------------	-------------------------

**Reconciliation of operating income (loss) to net cash
provided (used) by operating activities:**

Operating income (loss)	\$ (55,657)
-------------------------	-------------

Adjustments to reconcile operating income (loss) to net cash
provided (used) by operating activities:

Depreciation expense	<u>46,530</u>
----------------------	---------------

Total adjustments	<u>\$ 46,530</u>
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Net cash provided (used) by operating activities	<u><u>\$ (9,127)</u></u>
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SUPPORTING SCHEDULES

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County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2008

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 5,390,039	\$ 5,390,039	\$ 5,511,972	\$ 121,933
Real and personal public service corporation taxes	371,611	371,611	382,866	11,255
Personal property taxes	3,065,609	3,065,609	1,923,516	(1,142,093)
Mobile home taxes	76,247	76,247	61,908	(14,339)
Machinery and tools taxes	288,450	288,450	290,238	1,788
Merchant's capital taxes	81,000	81,000	80,338	(662)
Penalties	65,000	65,000	65,744	744
Interest	35,000	35,000	43,734	8,734
Total general property taxes	<u>\$ 9,372,956</u>	<u>\$ 9,372,956</u>	<u>\$ 8,360,316</u>	<u>\$ (1,012,640)</u>
Other local taxes:				
Local sales and use taxes	\$ 800,000	\$ 800,000	\$ 815,590	\$ 15,590
Consumers' utility taxes	280,000	280,000	343,895	63,895
Communication taxes	462,529	462,529	646,486	183,957
Motor vehicle licenses	265,000	265,000	315,283	50,283
Taxes on recordation and wills	81,200	81,200	112,141	30,941
Total other local taxes	<u>\$ 1,888,729</u>	<u>\$ 1,888,729</u>	<u>\$ 2,233,395</u>	<u>\$ 344,666</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 4,000	\$ 4,000	\$ 7,741	\$ 3,741
Transfer fees	600	600	676	76
Permits and other licenses	94,300	94,300	136,939	42,639
Total permits, privilege fees, and regulatory licenses	<u>\$ 98,900</u>	<u>\$ 98,900</u>	<u>\$ 145,356</u>	<u>\$ 46,456</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 27,723	\$ 27,723	\$ 27,689	\$ (34)
Total fines and forfeitures	<u>\$ 27,723</u>	<u>\$ 27,723</u>	<u>\$ 27,689</u>	<u>\$ (34)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 290,001	\$ 290,000	\$ 261,095	\$ (28,905)
Revenue from use of property	74,220	74,220	129,919	55,699
Total revenue from use of money and property	<u>\$ 364,221</u>	<u>\$ 364,220</u>	<u>\$ 391,014</u>	<u>\$ 26,794</u>
Charges for services:				
Sheriff's fees	\$ 794	\$ 794	\$ 1,589	\$ 795
Courthouses maintenance fees	1	1	6,489	6,488
Charges for Commonwealth's Attorney	450	450	589	139
Courthouse security	-	-	22,398	22,398
Charges for sanitation and waste removal	182,451	182,451	179,060	(3,391)
Law library fees	4,500	4,500	-	(4,500)
Charges for planning and community development	100	100	938	838
Charges for correction and detention	26,700	26,700	12,987	(13,713)
Charges for other protection	200	200	1,024	824
Charges for recreation	36,000	36,000	32,285	(3,715)
Charges for library	12,000	12,000	14,022	2,022
Total charges for services	<u>\$ 263,196</u>	<u>\$ 263,196</u>	<u>\$ 271,381</u>	<u>\$ 8,185</u>
Miscellaneous revenue:				
Miscellaneous	\$ 60,089	\$ 60,089	\$ 125,179	\$ 65,090
Total miscellaneous revenue	<u>\$ 60,089</u>	<u>\$ 60,089</u>	<u>\$ 125,179</u>	<u>\$ 65,090</u>

County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2008

Schedule 1
Page 2 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Recovered costs:				
Refunds and recoveries	\$ 20,600	\$ 20,600	\$ 18,756	\$ (1,844)
Town recoveries	59,000	59,000	72,618	13,618
Total recovered costs	\$ 79,600	\$ 79,600	\$ 91,374	\$ 11,774
Total revenue from local sources	\$ 12,155,414	\$ 12,155,413	\$ 11,645,704	\$ (509,709)
Revenue from the Commonwealth:				
Noncategorical aid:				
ABC profits	\$ 6,800	\$ 6,800	\$ -	\$ (6,800)
Wine taxes	7,200	7,200	-	(7,200)
Motor vehicle carriers' tax	560	560	501	(59)
Mobile home titling tax	35,000	35,000	32,325	(2,675)
Rolling stock tax	29,398	29,398	34,630	5,232
Auto rental tax	3,000	3,000	3,916	916
Additional tax on deeds	25,000	25,000	25,540	540
State recordation tax	23,000	23,000	33,415	10,415
Personal property tax relief funds	-	-	1,023,637	1,023,637
Total noncategorical aid	\$ 129,958	\$ 129,958	\$ 1,153,964	\$ 1,024,006
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 298,363	\$ 298,363	\$ 306,087	\$ 7,724
Sheriff	1,285,115	1,285,115	1,287,583	2,468
Commissioner of revenue	120,700	120,700	116,693	(4,007)
Treasurer	102,785	102,785	102,817	32
Medical examiner	200	200	-	(200)
Registrar/electoral board	50,000	50,000	47,560	(2,440)
Clerk of the Circuit Court	193,194	193,194	183,525	(9,669)
Total shared expenses	\$ 2,050,357	\$ 2,050,357	\$ 2,044,265	\$ (6,092)
Other categorical aid:				
Public assistance and welfare administration	\$ 380,521	\$ 380,521	\$ 397,858	\$ 17,337
Comprehensive services act	402,875	402,875	764,777	361,902
Emergency medical services	11,680	11,680	13,185	1,505
Tobacco revitalization	250,000	250,000	-	(250,000)
Fire programs fund	28,505	28,505	30,979	2,474
Litter control	7,500	7,500	8,731	1,231
Local jail block grant	90,000	90,000	89,972	(28)
Library grant	37,000	37,000	56,493	19,493
Historical resources grant	-	-	10,000	10,000
Part-time attorney grant	40,000	40,000	40,000	-
Transportation grant	-	-	16,105	16,105
Department of forestry grant	30,000	30,000	16,490	(13,510)
Office on youth grant	-	-	6,919	6,919
Victim witness grant	22,650	22,650	6,129	(16,521)
Other state aid	-	-	24,668	24,668
Total other categorical aid	\$ 1,300,731	\$ 1,300,731	\$ 1,482,306	\$ 181,575
Total categorical aid	\$ 3,351,088	\$ 3,351,088	\$ 3,526,571	\$ 175,483
Total revenue from the Commonwealth	\$ 3,481,046	\$ 3,481,046	\$ 4,680,535	\$ 1,199,489

County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2008

Schedule 1
Page 3 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 4,200	\$ 4,200	\$ 3,520	\$ (680)
Categorical aid:				
Public assistance and welfare administration	\$ 669,907	\$ 669,907	\$ 700,430	\$ 30,523
Transportation safety	-	-	12,172	12,172
Homeland security grant	-	-	35,083	35,083
Total categorical aid	\$ 669,907	\$ 669,907	\$ 747,685	\$ 77,778
Total revenue from the federal government	\$ 674,107	\$ 674,107	\$ 751,205	\$ 77,098
Total General Fund	\$ 16,310,567	\$ 16,310,566	\$ 17,077,444	\$ 766,878
Special Revenue Fund:				
County Special Revenue Fund:				
Revenue from local sources:				
Other local taxes:				
E-911 taxes	\$ -	\$ -	\$ 8,242	\$ 8,242
Total other local taxes	\$ -	\$ -	\$ 8,242	\$ 8,242
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 4,976	\$ 4,976
Total revenue from use of money and property	\$ -	\$ -	\$ 4,976	\$ 4,976
Charges for services:				
Court costs- law library	\$ -	\$ -	\$ 4,029	\$ 4,029
Total charges for services	\$ -	\$ -	\$ 4,029	\$ 4,029
Miscellaneous revenue:				
Jail collections	\$ -	\$ -	\$ 5,871	\$ 5,871
Other miscellaneous	9,201	9,201	9,201	-
Total miscellaneous revenue	\$ 9,201	\$ 9,201	\$ 15,072	\$ 5,871
Total revenue from local sources	\$ 9,201	\$ 9,201	\$ 32,319	\$ 23,118
Revenue from the Commonwealth:				
Categorical aid:				
Forfeited assets	\$ -	\$ -	\$ 12,443	\$ 12,443
Wireless grant	-	-	39,839	39,839
Total categorical aid	\$ -	\$ -	\$ 52,282	\$ 52,282
Total revenue from the Commonwealth	\$ -	\$ -	\$ 52,282	\$ 52,282
Total County Special Revenue Fund	\$ 9,201	\$ 9,201	\$ 84,601	\$ 75,400

County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2008

Schedule 1
Page 4 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Capital Projects Fund:				
County Capital Projects Fund:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 120,701	\$ 120,701
Total revenue from use of money and property	\$ -	\$ -	\$ 120,701	\$ 120,701
 Total revenue from local sources	 \$ -	 \$ -	 \$ 120,701	 \$ 120,701
 Total County Capital Projects Fund	 \$ -	 \$ -	 \$ 120,701	 \$ 120,701
 Total Primary Government	 \$ 16,319,768	 \$ 16,319,767	 \$ 17,282,746	 \$ 962,979
 Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 317,000	\$ 317,000	\$ 6,893	\$ (310,107)
 Charges for services:				
Charges for education	\$ 9,600	\$ 9,600	\$ 151,366	\$ 141,766
 Miscellaneous revenue:				
Miscellaneous	\$ 62,700	\$ 62,700	\$ 214,651	\$ 151,951
 Recovered costs:				
Tuition from other counties	\$ 20,500	\$ 20,500	\$ 54,937	\$ 34,437
Total recovered costs	\$ 20,500	\$ 20,500	\$ 54,937	\$ 34,437
 Total revenue from local sources	 \$ 409,800	 \$ 409,800	 \$ 427,847	 \$ 18,047
 Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Appomattox	\$ 4,810,944	\$ 4,810,944	\$ 3,860,469	\$ (950,475)
Total revenues from local governments	\$ 4,810,944	\$ 4,810,944	\$ 3,860,469	\$ (950,475)
 Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,109,793	\$ 2,109,793	\$ 2,018,028	\$ (91,765)
Basic school aid	7,208,268	7,208,268	7,277,427	69,159
English as a second language	-	-	813	813
Adult secondary education	3,386	3,386	13,074	9,688
Gifted and talented	65,111	65,111	65,142	31

County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2008

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds: (Continued)				
School Operating Fund: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Remedial education	\$ 180,682	\$ 180,682	\$ 180,768	\$ 86
Class size reduction	-	-	31,233	31,233
Special education	848,068	848,068	957,044	108,976
Textbook payment	163,233	163,233	163,310	77
ISAP	7,859	7,859	7,859	-
Vocational education	191,669	191,669	190,539	(1,130)
Electronic classroom	40,000	40,000	-	(40,000)
School fringes	981,550	981,550	982,007	457
Foster care	24,653	24,653	27,592	2,939
Occupational preparation	129,062	129,062	14,406	(114,656)
Salary supplement	-	-	473,905	473,905
Early reading intervention	24,067	24,067	36,101	12,034
Remedial Ed-Summer School	82,253	82,253	82,553	300
Homebound	75,148	75,148	16,197	(58,951)
School construction	133,724	133,724	133,747	23
Headstart	95,152	95,152	-	(95,152)
Additional teachers	34,863	34,863	-	(34,863)
K-3 initiative	248,768	248,768	252,397	3,629
Lottery proceeds	359,721	359,721	362,838	3,117
At risk payments	148,492	148,492	277,554	129,062
Technology grant	154,000	154,000	154,000	-
Standards of Learning algebra readiness	22,650	22,650	20,546	(2,104)
Mentor teachers	2,241	2,241	3,785	1,544
Virtual advanced placement	468,798	468,798	684	(468,114)
Other state aid	37,357	37,357	18,716	(18,641)
Total categorical aid	\$ 13,840,568	\$ 13,840,568	\$ 13,762,265	\$ (78,303)
Total revenue from the Commonwealth	\$ 13,840,568	\$ 13,840,568	\$ 13,762,265	\$ (78,303)
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 459,827	\$ 459,827	\$ 428,159	\$ (31,668)
Adult literacy	31,087	31,087	-	(31,087)
Vocational education	-	-	43,697	43,697
Title II Part A	-	-	110,498	110,498
Drug free schools	10,171	10,171	10,265	94
Title V, Part A	-	-	5,934	5,934
Title VIB	437,261	437,261	448,876	11,615
Goals 2000	4,950	4,950	-	(4,950)
Class size reduction	122,164	122,164	-	(122,164)
Preschool grant	17,630	17,630	17,634	4
21st Century learning grant	185,500	185,500	319,284	133,784
Literacy challenge	2,743	2,743	-	(2,743)
Carl Perkins Grant	44,857	44,857	-	(44,857)
Innovative reading programs	5,914	5,914	-	(5,914)
Education technology	-	-	4,514	4,514
Teacher training	113,118	113,118	-	(113,118)
Total categorical aid	\$ 1,435,222	\$ 1,435,222	\$ 1,388,861	\$ (46,361)
Total revenue from the federal government	\$ 1,435,222	\$ 1,435,222	\$ 1,388,861	\$ (46,361)
Total School Operating Fund	\$ 20,496,534	\$ 20,496,534	\$ 19,439,442	\$ (1,057,092)

County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2008

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Special Revenue Funds: (Continued)				
School Special Revenue Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 15,000	\$ 15,000	\$ 20,429	\$ 5,429
Total revenue from use of money and property	\$ 15,000	\$ 15,000	\$ 20,429	\$ 5,429
Charges for services:				
Cafeteria sales	\$ 430,250	\$ 430,250	\$ 459,858	\$ 29,608
Textbook fees	-	-	16,082	16,082
Total charges for services	\$ 430,250	\$ 430,250	\$ 475,940	\$ 45,690
Total revenue from local sources	\$ 445,250	\$ 445,250	\$ 496,369	\$ 51,119
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 13,456	\$ 13,456	\$ 13,791	\$ 335
Total categorical aid	\$ 13,456	\$ 13,456	\$ 13,791	\$ 335
Total revenue from the Commonwealth	\$ 13,456	\$ 13,456	\$ 13,791	\$ 335
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 410,000	\$ 410,000	\$ 434,736	\$ 24,736
Commodities	-	-	73,276	73,276
Total categorical aid	\$ 410,000	\$ 410,000	\$ 508,012	\$ 98,012
Total revenue from the federal government	\$ 410,000	\$ 410,000	\$ 508,012	\$ 98,012
Total School Special Revenue Fund	\$ 868,706	\$ 868,706	\$ 1,018,172	\$ 149,466
Total Discretely Presented Component Unit - School Board	\$ 21,365,240	\$ 21,365,240	\$ 20,457,614	\$ (907,626)

County of Appomattox, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2008

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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 236,458	\$ 203,475	\$ 182,160	\$ 21,315
General and financial administration:				
County administrator	\$ 405,143	\$ 395,304	\$ 383,861	\$ 11,443
Legal services	40,500	34,500	31,909	2,591
Commissioner of revenue	325,869	340,565	322,941	17,624
Independent auditor	48,000	30,500	26,500	4,000
Treasurer	255,416	263,248	255,010	8,238
Assessor, reassessment and equalization board	75,086	255,436	250,198	5,238
Total general and financial administration	\$ 1,150,014	\$ 1,319,553	\$ 1,270,419	\$ 49,134
Board of elections:				
Electoral board and officials	\$ 41,595	\$ 45,911	\$ 42,555	\$ 3,356
Registrar	73,907	74,607	73,237	1,370
Total board of elections	\$ 115,502	\$ 120,518	\$ 115,792	\$ 4,726
Total general government administration	\$ 1,501,974	\$ 1,643,546	\$ 1,568,371	\$ 75,175
Judicial administration:				
Courts:				
Circuit court	\$ 21,150	\$ 21,150	\$ 19,590	\$ 1,560
General district court	2,785	2,785	2,493	292
Special Magistrates	850	850	827	23
Court services unit	102,332	207,532	160,494	47,038
Juvenile and domestic relations court	4,488	4,728	3,928	800
Sheriff	68,448	69,174	69,031	143
Witness advocate grant	-	22,242	21,981	261
VA domestic victim grant	40,000	106,186	33,165	73,021
Clerk of the circuit court	258,265	272,675	246,377	26,298
Total courts	\$ 498,318	\$ 707,322	\$ 557,886	\$ 149,436
Commonwealth's attorney:				
Commonwealth's attorney	\$ 363,495	\$ 372,988	\$ 372,978	\$ 10
Total commonwealth's attorney	\$ 363,495	\$ 372,988	\$ 372,978	\$ 10
Total judicial administration	\$ 861,813	\$ 1,080,310	\$ 930,864	\$ 149,446
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,873,130	\$ 1,964,377	\$ 1,918,766	\$ 45,611
School resource officer	84,190	84,542	84,532	10
DARE	5,894	5,894	5,878	16
DMV traffic control grant	-	24,905	19,024	5,881
Total law enforcement and traffic control	\$ 1,963,214	\$ 2,079,718	\$ 2,028,200	\$ 51,518
Fire and rescue services:				
Fire department	\$ 180,562	\$ 211,135	\$ 168,737	\$ 42,398
Ambulance and rescue services	28,600	54,785	27,566	27,219
Forestry service	6,124	6,124	6,124	-
Total fire and rescue services	\$ 215,286	\$ 272,044	\$ 202,427	\$ 69,617
Correction and detention:				
Sheriff	\$ 323,526	\$ 453,526	\$ 430,759	\$ 22,767
Total correction and detention	\$ 323,526	\$ 453,526	\$ 430,759	\$ 22,767

County of Appomattox, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2008

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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Inspections:				
Building	\$ 86,805	\$ 86,805	\$ 85,294	\$ 1,511
Total inspections	\$ 86,805	\$ 86,805	\$ 85,294	\$ 1,511
Other protection:				
Animal control	\$ 134,693	\$ 137,065	\$ 130,838	\$ 6,227
Emergency services	8,428	8,428	1,482	6,946
E-911	613,775	686,043	653,417	32,626
Road viewers	300	300	-	300
Medical examiner	500	500	40	460
Total other protection	\$ 757,696	\$ 832,336	\$ 785,777	\$ 46,559
Total public safety	\$ 3,346,527	\$ 3,724,429	\$ 3,532,457	\$ 191,972
Public works:				
Sanitation and waste removal:				
Refuse disposal	\$ 836,806	\$ 862,645	\$ 750,492	\$ 112,153
Tire security	22,451	23,371	23,019	352
Refuse collection	212,078	212,164	214,901	(2,737)
Total sanitation and waste removal	\$ 1,071,335	\$ 1,098,180	\$ 988,412	\$ 109,768
Maintenance of general buildings and grounds:				
General properties	\$ 425,313	\$ 455,198	\$ 467,706	\$ (12,508)
Total maintenance of general buildings and grounds	\$ 425,313	\$ 455,198	\$ 467,706	\$ (12,508)
Total public works	\$ 1,496,648	\$ 1,553,378	\$ 1,456,118	\$ 97,260
Health and welfare:				
Health:				
Local health department	\$ 125,943	\$ 127,991	\$ 127,991	\$ -
Total health	\$ 125,943	\$ 127,991	\$ 127,991	\$ -
Mental health and mental retardation:				
Central VA Community Services	\$ 36,958	\$ 36,958	\$ 36,958	\$ -
Central VA Commission on Aging	5,600	5,600	5,600	-
Total mental health and mental retardation	\$ 42,558	\$ 42,558	\$ 42,558	\$ -
Welfare:				
Public assistance and welfare administration	\$ 1,291,228	\$ 1,331,228	\$ 1,327,861	\$ 3,367
State and local hospitalization	5,059	6,209	6,209	-
Comprehensive services act	601,381	1,554,475	1,267,401	287,074
Total welfare	\$ 1,897,668	\$ 2,891,912	\$ 2,601,471	\$ 290,441
Total health and welfare	\$ 2,066,169	\$ 3,062,461	\$ 2,772,020	\$ 290,441
Education:				
Other instructional costs:				
Contributions to Community College	\$ 376	\$ 376	\$ 376	\$ -
Contribution to County School Board	4,510,944	4,510,944	3,860,469	650,475
Total education	\$ 4,511,320	\$ 4,511,320	\$ 3,860,845	\$ 650,475
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 294,457	\$ 293,303	\$ 171,842	\$ 121,461
Total parks and recreation	\$ 294,457	\$ 293,303	\$ 171,842	\$ 121,461

County of Appomattox, Virginia
Schedule of Expenditures - Budget and Actual
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For the Year Ended June 30, 2008

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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Parks, recreation, and cultural: (Continued)				
Cultural enrichment:				
Contributions	\$ 14,232	\$ 24,419	\$ 22,918	\$ 1,501
Total cultural enrichment	\$ 14,232	\$ 24,419	\$ 22,918	\$ 1,501
Library:				
Public library	\$ 167,125	\$ 186,566	\$ 185,310	\$ 1,256
Total library	\$ 167,125	\$ 186,566	\$ 185,310	\$ 1,256
Total parks, recreation, and cultural	\$ 475,814	\$ 504,288	\$ 380,070	\$ 124,218
Community development:				
Planning and community development:				
Planning and zoning	\$ 94,776	\$ 95,776	\$ 92,291	\$ 3,485
Tourism	40,000	40,000	21,904	18,096
Economic development	290,790	810,113	50,765	759,348
Total planning and community development	\$ 425,566	\$ 945,889	\$ 164,960	\$ 780,929
Environmental management:				
Contribution to soil and water conservation district	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Erosion and sediment control	-	11,937	11,635	302
Litter control program	7,500	8,972	8,972	-
Recycling	32,624	32,624	29,908	2,716
Total environmental management	\$ 50,124	\$ 63,533	\$ 60,515	\$ 3,018
Cooperative extension program:				
Extension office	\$ 41,953	\$ 53,088	\$ 41,938	\$ 11,150
Total cooperative extension program	\$ 41,953	\$ 53,088	\$ 41,938	\$ 11,150
Total community development	\$ 517,643	\$ 1,062,510	\$ 267,413	\$ 795,097
Capital projects:				
Town/County Sewer Project	\$ 76,573	\$ 76,573	\$ 76,573	\$ -
CVCC Phase II	-	5,375	5,375	-
Waterline project	-	43,190	43,190	-
Landfill cell	41,956	2,468,377	232,926	2,235,451
Regional landfill	-	68,000	68,000	-
County administrators renovation	-	631,447	627,586	3,861
E911 center	-	7,723	3,018	4,705
Total capital projects	\$ 118,529	\$ 3,300,685	\$ 1,056,668	\$ 2,244,017
Debt service:				
Principal retirement	\$ 1,534,301	\$ 1,534,301	\$ 1,534,301	\$ -
Interest and other fiscal charges	945,871	963,663	945,871	17,792
Total debt service	\$ 2,480,172	\$ 2,497,964	\$ 2,480,172	\$ 17,792
Total General Fund	\$ 17,376,609	\$ 22,940,891	\$ 18,304,998	\$ 4,635,893

County of Appomattox, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2008

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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Fund:				
County Special Revenue Fund:				
Public Safety:				
Asset forfeiture	\$ -	\$ -	\$ 11,500	\$ (11,500)
Total public safety	\$ -	\$ -	\$ 11,500	\$ (11,500)
 Total County Special Revenue Fund	 \$ -	 \$ -	 \$ 11,500	 \$ (11,500)
 Total Primary Government	 \$ 17,376,609	 \$ 22,940,891	 \$ 18,316,498	 \$ 4,624,393
 Discretely Presented Component Unit - School Board				
Special Revenue Funds:				
School Operating Fund:				
Education:				
Administration, health, and attendance	\$ 1,079,639	\$ 1,079,639	\$ 1,121,224	\$ (41,585)
Instruction costs	15,445,934	15,445,934	14,831,674	614,260
Pupil transportation	1,121,470	1,121,470	1,402,527	(281,057)
Operation and maintenance of school plant	1,831,269	1,831,269	1,849,555	(18,286)
Total education	\$ 19,478,312	\$ 19,478,312	\$ 19,204,980	\$ 273,332
 Capital projects:				
Architectural and engineering fees	\$ 655,721	\$ 655,721	\$ 41,961	\$ 613,760
Total capital projects	\$ 655,721	\$ 655,721	\$ 41,961	\$ 613,760
 Debt service:				
Principal retirement	\$ 16,892	\$ 16,892	\$ 16,892	\$ -
Interest and other fiscal charges	45,609	45,609	45,609	-
Total debt service	\$ 62,501	\$ 62,501	\$ 62,501	\$ -
 Total School Operating Fund	 \$ 20,196,534	 \$ 20,196,534	 \$ 19,309,442	 \$ 887,092
 School Special Revenue Fund:				
Education:				
School food services	\$ 936,153	\$ 936,153	\$ 891,078	\$ 45,075
Purchase of textbooks	300,000	300,000	73,972	226,028
Commodities	-	-	73,276	(73,276)
Total education	\$ 1,236,153	\$ 1,236,153	\$ 1,038,326	\$ 197,827
 Total School Special Revenue Fund	 \$ 1,236,153	 \$ 1,236,153	 \$ 1,038,326	 \$ 197,827
 Total Discretely Presented Component Unit - School Board	 \$ 21,432,687	 \$ 21,432,687	 \$ 20,347,768	 \$ 1,084,919

OTHER STATISTICAL INFORMATION

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Table 1

County of Appomattox, Virginia
Government-Wide Expenses by Function
Last Six Fiscal Years (1)

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2003	\$ 1,350,833	\$ 469,287	\$ 2,225,786	\$ 873,534	\$ 1,308,452	\$ 5,662,462	\$ 279,212	\$ 308,316	\$ 867,038	\$ 13,344,920
2004	828,232	532,887	2,521,928	962,971	1,505,196	4,016,627	346,118	204,635	893,530	11,812,124
2005	1,170,807	583,153	2,835,043	1,352,780	1,660,989	4,469,140	487,671	146,870	855,233	13,561,686
2006	1,339,431	815,114	2,865,601	1,666,280	1,797,968	4,359,925	247,760	446,936	986,249	14,525,264
2007	1,306,507	1,052,434	3,177,263	1,346,568	2,309,238	4,548,847	(76,008)	546,808	958,613	15,170,270
2008	1,717,318	1,059,914	3,568,696	1,854,655	2,790,885	4,778,638	377,658	285,603	862,965	17,296,332

(1) Information has only been available for six years.

Table 2

**County of Appomattox, Virginia
Government-Wide Revenues
Last Six Fiscal Years (1)**

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions	Gain (loss)		
								Not Restricted to Specific Programs	on Transfer of Capital Assets		
2003	\$ 328,181	\$ 3,099,413	\$ -	\$ 5,812,820	\$ 1,858,039	\$ 127,092	\$ 251,816	\$ 1,091,251	\$ -	\$ 12,568,612	
2004	370,207	2,973,267	-	5,900,440	1,893,037	133,187	113,922	1,132,562	-	12,516,622	
2005	415,174	3,125,215	-	6,053,467	2,034,091	217,978	124,788	1,097,634	557,600	13,068,347	
2006	361,753	3,908,749	-	6,698,006	2,340,139	448,053	130,250	1,184,428	-	15,071,378	
2007	457,380	4,511,884	-	7,958,743	2,184,586	591,753	135,756	1,182,599	-	17,022,701	
2008	448,455	4,330,058	-	8,329,989	2,241,637	516,691	140,251	1,153,964	-	17,161,045	

(1) Information has only been available for six years.

Table 3

County of Appomattox, Virginia
General Governmental Expenditures by Function (1,3)
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service	Total
1999	\$ 962,183	\$ 322,140	\$ 1,668,213	\$ 836,007	\$ 1,179,516	\$ 13,644,891	\$ 201,087	\$ 277,528	\$ 252	\$1,067,089	\$ 20,158,906
2000	1,332,775	315,905	1,787,783	1,608,634	1,207,553	15,399,595	202,326	140,094	-	1,142,829	23,137,494
2001	1,171,267	401,435	2,003,528	812,715	1,175,006	16,957,619	380,524	413,250	-	1,388,851	24,704,195
2002	1,160,704	376,121	2,067,344	771,847	1,294,041	14,911,401	281,060	227,479	-	8,833,136	29,923,133
2003	1,324,054	422,762	2,543,582	833,480	1,296,522	15,376,358	266,705	308,316	-	4,356,374	26,728,153
2004	983,619	533,588	2,469,062	799,778	1,380,790	15,867,065	296,380	204,635	-	1,677,438	24,212,355
2005	1,120,819	633,237	2,897,984	1,252,657	1,615,123	17,502,540	369,805	146,870	-	2,043,195	27,582,230
2006	1,167,158	669,675	3,101,684	1,336,192	1,780,349	18,194,723	326,808	475,711	-	2,440,045	29,492,345
2007	1,268,483	906,995	3,427,456	1,382,337	2,282,361	19,561,871	374,171	739,616	-	2,022,901	31,966,191
2008	1,568,371	930,864	3,543,957	1,456,118	2,772,020	20,243,682	380,070	267,413	-	2,542,673	33,705,168

(1) Includes General, Special Revenue, and Debt Service funds of the Primary Government and its Discretely Presented Component Unit School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

(3) Excludes Capital Projects funds.

Table 4

County of Appomattox, Virginia
General Governmental Revenues by Source (1,3)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
1999	\$ 4,663,383	\$ 1,451,886	\$ 38,912	\$ 16,221	\$ 382,518	\$ 685,670	\$ 125,109	\$ 146,037	\$ 13,024,853	\$ 20,534,589
2000	4,974,803	1,484,673	34,338	10,670	333,674	682,091	101,273	200,270	13,672,139	21,493,931
2001	5,710,235	1,554,489	46,206	7,229	320,906	713,244	219,976	234,550	14,630,281	23,437,116
2002	5,704,222	1,559,328	53,724	13,497	183,208	888,633	106,652	157,710	15,108,315	23,775,289
2003	5,748,379	1,858,039	55,742	38,471	108,170	683,363	339,138	175,021	15,830,082	24,836,405
2004	5,869,017	1,893,037	71,729	26,734	137,106	718,925	166,892	151,772	16,175,565	25,210,777
2005	6,130,568	2,034,091	72,227	49,260	203,383	762,336	253,940	101,006	17,507,953	27,114,764
2006	6,368,207	2,340,139	89,291	20,577	331,075	700,935	318,742	139,128	19,185,569	29,493,663
2007	8,034,012	2,184,586	146,111	27,627	469,715	850,405	252,284	86,399	21,118,177	33,169,316
2008	8,360,316	2,241,637	145,356	27,689	423,312	902,716	354,902	146,311	21,156,951	33,759,190

(1) Includes General, Special Revenue, and Debt Service funds of the Primary Government and its Discretely Presented Component Unit School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

(3) Excludes Capital Projects funds.

Table 5

**County of Appomattox, Virginia
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy (1,3)	Current Tax Collections (1,3)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
1999	\$ 4,542,996	\$ 4,466,512	98.32%	\$ 139,720	\$ 4,606,232	101.39%	\$ 224,770	4.95%
2000	5,283,326	5,092,926	96.40%	80,559	5,173,485	97.92%	287,088	5.43%
2001	6,307,199	6,082,308	96.43%	95,552	6,177,860	97.95%	364,844	5.78%
2002	6,587,539	6,414,531	97.37%	103,702	6,518,233	98.95%	425,622	6.46%
2003	6,648,457	6,421,520	96.59%	149,328	6,570,848	98.83%	503,939	7.58%
2004	6,847,001	6,654,480	97.19%	53,039	6,707,519	97.96%	561,276	8.20%
2005	7,075,747	6,841,320	96.69%	133,161	6,974,481	98.57%	591,500	8.36%
2006	7,646,351	7,104,961	92.92%	201,541	7,306,502	95.56%	901,390	11.79%
2007	8,879,016	8,701,949	98.01%	223,258	8,925,207	100.52%	1,033,820	11.64%
2008	9,337,425	9,061,026	97.04%	213,449	9,274,475	99.33%	1,026,411	10.99%

(1) Exclusive of penalties and interest. Does not include land redemptions.

(2) Includes three most current delinquent tax years and first half of current tax year.

(3) 1999-00 was the first year for personal property tax relief by the Commonwealth of Virginia.

Table 6

County of Appomattox, Virginia
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Mobile Homes	Personal Property (1)	Machinery and Tools	Merchant's Capital	Public Utility (2)		Total
						Real Estate	Personal Property	
1999	\$ 472,117,009	\$ 9,196,259	\$ 40,879,560	\$ 4,290,930	\$ 5,935,490	\$ 44,443,116	\$ 274,261	\$ 577,136,625
2000	476,051,032	9,507,755	44,385,985	4,920,230	6,271,730	39,698,500	221,630	581,056,862
2001	495,314,498	10,076,970	47,165,288	4,579,820	6,233,960	47,857,895	222,425	611,450,856
2002	557,240,097	10,854,922	52,630,120	5,216,380	6,583,162	49,653,959	179,154	682,357,794
2003	617,395,027	10,197,033	53,190,247	5,336,991	7,059,627	56,874,036	335,991	750,388,952
2004	632,023,124	10,513,918	56,455,559	6,001,429	7,392,798	53,105,336	306,743	765,798,907
2005	644,164,177	10,044,582	56,273,912	6,204,367	7,845,555	43,841,289	260,634	768,634,516
2006	666,911,618	10,069,168	61,162,572	6,326,572	7,956,118	47,957,589	358,642	800,742,279
2007	686,406,667	9,902,270	64,423,605	6,270,659	8,138,852	48,261,121	242,610	823,645,784
2008	982,560,682	9,774,752	65,524,137	6,593,214	8,205,633	48,091,865	273,006	1,121,023,289

(1) Real estate and personal property are assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

Table 7

**County of Appomattox, Virginia
Property Tax Rates (1)
Last Ten Fiscal Years**

Fiscal Year	Real Estate		Mobile Homes	Personal Property		Machinery and Tools	Merchant's Capital	
1999	\$	0.55	\$	0.55	\$	3.50	\$	1.00
2000		0.55/0.80		0.55		3.50		1.00
2001		0.80		0.80		3.50		1.00
2002		0.66/0.80		0.80		3.50		1.00
2003		0.66		0.66		3.50		1.00
2004		0.66		0.66		3.50		1.00
2005		0.66/0.72		0.66		3.50		1.00
2006		0.72		0.72		3.50		1.00
2007		0.72/0.77		0.72		4.60		1.00
2008		0.77/0.44		0.77		4.60		1.00

(1) Per \$100 of assessed value.

Table 8

County of Appomattox, Virginia
Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less:		Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Debt Service Monies Available	Debt Assumed by Other Localities (4)			
1999	12,298	\$ 577,136,625	\$ 5,904,886	\$ -	\$ -	\$ 5,904,886	1.02%	480
2000	12,298	581,056,862	5,335,889	-	-	5,335,889	0.92%	434
2001	13,705	611,450,856	4,753,819	-	-	4,753,819	0.78%	347
2002	13,705	682,357,794	12,515,608	-	-	12,515,608	1.83%	913
2003	13,705	750,388,952	11,802,239	-	-	11,802,239	1.57%	861
2004	13,705	765,798,907	11,113,342	-	-	11,113,342	1.45%	811
2005	13,705	768,634,516	10,431,245	-	-	10,431,245	1.36%	761
2006	13,705	800,742,279	9,756,085	-	-	9,756,085	1.22%	712
2007	13,705	823,645,784	9,384,347	-	-	9,384,347	1.14%	685
2008	13,705	1,121,023,289	8,696,470	-	-	8,696,470	0.78%	635

(1) Center of Government at the University of Virginia for 1990 census and Weldon Cooper Center for Public Service for 2000 census.

(2) From Table 6

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.

Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, and compensated absences.

(4) In accordance with the provisions of annexation settlements.

COMPLIANCE

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

**To The Honorable Members of the Board of Supervisors
County of Appomattox
Appomattox, Virginia**

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Appomattox, Virginia, as of and for the year ended June 30, 2008, which collectively comprise the County of Appomattox, Virginia's basic financial statements and have issued our report thereon dated January 9, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Appomattox, Virginia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Appomattox, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Appomattox, Virginia's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County of Appomattox, Virginia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County of Appomattox, Virginia's financial statements that is more than inconsequential will not be prevented or detected by the County of Appomattox, Virginia's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County of Appomattox, Virginia's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Appomattox, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Robert Fann, Cox Associates

Richmond, Virginia
January 9, 2009

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

To The Honorable Members of the Board of Supervisors
County of Appomattox
Appomattox, Virginia

Compliance

We have audited the compliance of the County of Appomattox, Virginia with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The County of Appomattox, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Appomattox, Virginia's management. Our responsibility is to express an opinion on the County of Appomattox, Virginia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Appomattox, Virginia's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County of Appomattox, Virginia's compliance with those requirements.

In our opinion, the County of Appomattox, Virginia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the County of Appomattox, Virginia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County of Appomattox, Virginia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Appomattox, Virginia's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robinn, Fann, Cox Associates

Richmond, Virginia
January 9, 2009

County of Appomattox, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal Catalog Number	Expenditures
Department of Health and Human Services:		
Pass Through Payments:		
Department of Social Services:		
Family Preservation and Support	93.556	\$ 30,019
Temporary Assist to Needy Families (TANF)	93.558	105,119
Refugee and Entrant Assistance - Discretionary Grants	93.566	534
Low Income Home Energy Assistance	93.568	3,097
Payments to States for Child Care Assistance	93.575	50,284
Child Care and Development Fund	93.596	54,042
Chafee Education and Training Vouchers	93.599	8,767
Child Welfare Services - State Grants	93.645	986
Foster Care - Title IV-E	93.658	67,684
Adoption Assistance	93.659	3,646
Social Services Block Grant	93.667	144,750
Independent living	93.674	1,365
State Children's Insurance Program	93.767	6,727
Medical Assistance Program (Title XIX)	93.778	95,530
Total Department of Health and Human Services		<u>\$ 572,550</u>
Department of Agriculture:		
Pass Through Payments:		
Department of Agriculture:		
Food Distribution	10.555	\$ 73,276
Department of Education:		
National school breakfast program	10.553	95,928
National school lunch program	10.555	338,808
Department of Social Services:		
State Admin Matching Grants for Food Stamp Program	10.561	127,880
Total Department of Agriculture		<u>\$ 635,892</u>
Department of the Interior:		
Direct payments:		
Bureau of Land Management:		
Payments in lieu of taxes-public law 95-561	15.xxx	\$ 3,520
Total Department of the Interior		<u>\$ 3,520</u>

County of Appomattox, Virginia
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2008

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal Catalog Number	Expenditures
Department of Transportation:		
Pass Through Payments:		
Department of Motor Vehicles:		
State and community highway safety program	20.600	\$ 5,848
Alcohol open container requirements	20.607	6,324
		<u>12,172</u>
Total Department of Transportation		<u>\$ 12,172</u>
Department of Homeland Security:		
Pass Through Payments:		
Department of Emergency Services:		
State Homeland Security grant	97.004	\$ 35,083
		<u>35,083</u>
Department of Education:		
Pass Through Payments:		
Department of Education:		
Title I: Educationally deprived children	84.010	\$ 428,159
Title VI-B: Handicapped state grants	84.027	448,876
Vocational Education: Basic grants to states	84.048	43,697
Title VI-B: Handicapped preschool incentive grant	84.173	17,634
Drug free schools and communities	84.186	10,265
Title II, Part A	84.367	110,498
Title VI: Improving school programs state block grant	84.298	5,934
21st Century learning grant	84.287	319,284
Education technology	84.358	4,514
		<u>1,388,861</u>
Total Department of Education		<u>\$ 1,388,861</u>
Total Federal Assistance		<u><u>\$ 2,648,078</u></u>

County of Appomattox, Virginia

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federally assisted programs of the County of Appomattox, Virginia. The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Note 2 - Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

Note 3 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 751,205
Total primary government	\$ 751,205

Component Unit Public Schools:

School Operating Fund	\$ 1,388,861
School Cafeteria Fund	508,012
Total component unit public schools	\$ 1,896,873

Total federal expenditures per basic financial statements	\$ 2,648,078
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 2,648,078
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County of Appomattox, Virginia
Schedule of Findings and Questioned Costs
For the year ended June 30, 2008

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

a. Material weaknesses identified? yes X no

b. Significant deficiencies identified that are not considered
to be material weaknesses? yes X no

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

a. Material weaknesses identified? yes X no

b. Significant deficiencies identified that are not
considered to be material weaknesses? yes X no

Type of auditors' report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported
in accordance with section 510(a) of Circular A-133? yes X no

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

84.027/84.173
84.287

Title VI-B Cluster
21st Century Learning Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

County of Appomattox, Virginia
Schedule of Prior Year Findings and Questioned Costs
For the year ended June 30, 2008

There were no findings or questioned costs.

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